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INFO RUCNCAN/ALL CANADIAN POSTS COLLECTIVE PRIORITY

UNCLAS SECTION 01 OF 02 OTTAWA 000658

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E.O. 12958: N/A
TAGS: [PGOV](#) [PINR](#) [CA](#)
SUBJECT: GETTING IN SHAPE FOR FALL

REF: 08 Ottawa 1586

11. (SBU) Summary: PM Stephen Harper announced new Senate appointments and key changes to his inner team on August 27 as the Conservatives prepare for the return of Parliament -- and a possible election -- in the fall. The Liberal caucus will gather for a planning retreat at month's end. Senior Liberals appear to be tempering public expectations as the party weighs when and whether to force an election. End summary.

MOVING IN ON THE SENATE

12. (U) Prime Minister Stephen Harper filled nine vacancies in the Senate on August 27, cutting into a longstanding Liberal majority in the 105-seat upper chamber, and boosting Conservative representation to 46 versus the Liberals' 53 seats and six Independents. The appointments mark the second time in eight months that Harper has reneged on a personal and party commitment not to appoint senators unless they have first been elected. Harper appointed 18 new senators in December 2008 (reftel), the largest number of senate appointments at one-time in Canadian history. Harper has now appointed the most senators in any twelve-month period in Canadian history. The new senators will be sworn-in when the Senate returns on September 15.

13. (U) By the end of the year, three more Liberal senators and one Independent will reach the mandatory retirement age of 75 years. If PM Harper remains in office until year's end, and if he appoints Conservatives to all four vacancies, the Conservatives and Liberals will have 50 seats apiece by January 2009, and be poised to form a majority in the upper house.

14. (U) Harper reiterated his government's determination to continue to push for a "more democratic, accountable and effective" Senate in his public statement on the appointments. However, he insisted that in the interim, his government must fill vacancies to carry out the business of government, including key anti-crime and democratic reform bills that he alleged some [Liberal] senators had blocked. He underscored that the appointees had pledged to support government efforts to reform the Senate and promised to serve only eight-year terms (although no mechanism exists to enforce this.) Media and political contacts suggest the Prime Minister's Office (PMO) had reportedly wanted to announce the appointments earlier this week, but had held off out of concern that they would be accused of "burying" them in media coverage of the passing of U.S. Senator Ted Kennedy.

LARGELY PARTISAN APPOINTMENTS

15. (U) The new senators fill three vacancies in Quebec, two in Ontario, and one each in Manitoba, New Brunswick, Nova Scotia and Nunavut. Six of the appointees are Conservative political figures:

-- Doug Finley, a veteran Conservative strategist, national Conservative campaign director for the 2004, 2006 and 2008 federal elections, former Director of Political Operations for the

Conservative Party, and husband of current Minister of Human Resources and Skills Development Diane Finley;

--Carolyn Stewart-Olsen, a Harper loyalist, press secretary to PM Harper since 2000, and director of strategic communications in the Prime Minister's Office (PMO) until she stepped down in July;

-- Don Plett, President of the federal Conservative Party since 2003;

-- Claude Carignan, Mayor of Saint-Eustache, Quebec since 2000, and a former member of the provincial Action Democratique du Quebec, who ran unsuccessfully for the federal Conservative Party in the 2008 election;

-- Judith Seidman, a member of the Conservative Party National Council, chaired Harper's leadership campaign in Quebec in 2003, and QCouncil, chaired Harper's leadership campaign in Quebec in 2003, and is an expert in health and social services;

-- Dennis Patterson, former leader of the Northwest Territories;

--Jacques Demers, former coach of the Montreal Canadiens hockey team, and a former TV sports broadcaster;

--Linda Frum Sokolowski, author, journalist, and former National Post columnist;

-- Kelvin Ogilvie, former president of Acadia University (Nova Scotia), and an award-winning international expert in biotechnology, bio-organic chemistry, and genetic engineering.

SHUFFLING THE TEAM

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¶6. (U) The Senate appointments coincided on August 27 with a shuffle in the senior ranks of political staff in the PMO, after the departure of many advisors who had been with the PM since 2001. Harper appointed John Williamson, a former newspaper lobbyist and former head of the Canadian Taxpayers Federation as his new director of communications. Williamson will replace the outgoing Kory Teneycke in mid-September. Media observers suggest that the low-profile Williamson will work closely with Dimitri Soudas, the PM's current press secretary, who will become the PM's chief spokesperson. Jenni Byrne, a long-term Harper loyalist, will move to Conservative Party headquarters to replace Doug Finley as Director of Political Operations. Finley will continue to direct the next Conservative election campaign from his new perch in the Senate. Jasmine Ighneski, who had been Director of Priorities at PMO, will succeed Byrne as Director of Issues Management. Mark Cameron, an architect of Harper's political strategy since 2006, will be replaced by Andrew Wallace, who is currently Harper's advisor on finance, industry, and infrastructure. The new team is charged with ensuring the government and the party are ready for an election that may come as early as the fall, according to several media and parliamentary contacts.

A NARROW WINDOW OF OPPORTUNITY

¶7. (SBU) In the next two weeks, political parties will hold retreats to plan strategy for the return of the House of Commons on September ¶14. The Liberals will meet August 30 to September 2 in Sudbury, Ontario, to assess whether to use their first opportunity in late September or early October to table a no-confidence motion that could trigger an election. In comments on August 27, the Liberals' national campaign co-chair David Smith appeared to temper expectations for an early election in the wake of summer polls that have shown the party has failed to gain traction on key issues. Smith argued that Employment Insurance (E.I.) -- the issue on which the Liberals had been expected to defeat the government -- was not a "defining issue," underscoring that "we don't have to be in a constant shootout at the O.K. Corral for an election every time Parliament meets and there's a vote of substance in the House."

However, the Liberals did not rule out a confidence motion on another issue, or at a later date, although the fall window for the Liberals to topple the government and complete an election campaign before Christmas is narrow. Liberal staffers who will work the campaign concede that any confidence vote would have to occur by late October to avoid an election spilling into the holiday season. Thereafter their next likely chance would not come until after the Winter Olympics in Vancouver in late February 2009.

COMMENT

18. The Senate appointments, although perhaps troubling to the Conservative base and fodder for the media, advance the government's incremental reform agenda and will not harm the government's standings in the polls. PMO and party personnel changes (including Finley's move to the Senate), reposition the PMO for a fractious fall session of parliament, and a potential election. Still, tepid poll results for the Liberals suggest they are likely to remain cautious as they weigh election timing.
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